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**Introduced by Senator Dutton**

February 22, 2007

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An act to amend Section 8325 of the Public Utilities Code, relating to nuclear energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 499, as introduced, Dutton. The Nuclear Facility Decommissioning Act of 1985.

The Nuclear Facility Decommissioning Act of 1985 requires each electrical corporation owning or operating nuclear facilities located in this state or elsewhere to establish an externally managed, segregated fund for the purposes of nuclear facility decommissioning. The act requires the fund, if the Public Utilities Commission makes a specified determination, to qualify for a federal tax deduction for payments made to a nuclear decommissioning reserve fund.

This bill would make technical, nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 8325 of the Public Utilities Code is
- 2 amended to read:
- 3 8325. (a) Each electrical corporation owning, in whole or in
- 4 part, or operating nuclear facilities, located in ~~California~~ *this state*
- 5 or elsewhere, shall establish an externally managed, segregated
- 6 fund for the purposes of this chapter. In addition, each electrical

1 corporation may establish other funds, as appropriate, for payment  
2 of decommissioning costs of nuclear facilities.

3 (b) The externally managed, segregated fund established  
4 pursuant to subdivision (a) shall be a fund ~~which~~ *that* qualifies for  
5 a tax deduction pursuant to Section 468A of the United States  
6 Internal Revenue Code, and applicable regulations of the Internal  
7 Revenue Service adopted pursuant thereto, if that tax treatment is  
8 determined by the commission to be in the best long-term interests  
9 of the customers of the electrical utility.

10 (c) The commission shall authorize an electrical corporation to  
11 collect sufficient revenues in rates to make the maximum  
12 contributions to the fund established pursuant to Section 468A of  
13 the United States Internal Revenue Code and applicable  
14 regulations, that are deductible for federal and state income tax  
15 purposes, and to otherwise recover the revenue requirements  
16 associated with reasonable and prudent decommissioning costs of  
17 the nuclear facilities for purposes of making contributions into  
18 other funds established pursuant to subdivision (a).

19 (d) Notwithstanding any other provision of this section, an  
20 electrical utility, which is a publicly owned public utility subject  
21 to the jurisdiction and control of its board, shall establish and may  
22 manage a separate fund for purposes of this chapter. The board  
23 shall provide that the amounts of all payments into this fund are  
24 recoverable through the utility's electric rates.